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**UNITED STATES AND KOREA SUCCESSFULLY CONCLUDE
NEGOTIATIONS ON TRADE IN
TELECOMMUNICATIONS GOODS AND SERVICES**

U.S. Trade Representative Charlene Barshefsky announced today that the United States and Korea have concluded year-long negotiations which will expand opportunities in the growing Korean telecommunications market for U.S. equipment and services suppliers.

"The United States has worked aggressively to open the Korean telecommunications market for U.S. equipment and services suppliers," said Ambassador Barshefsky. "The commitments undertaken by Korea through multilateral and bilateral negotiations will help ensure that U.S. telecommunications companies -- the most competitive providers in the world -- are in a position to compete in Korea's telecommunications market, which is estimated to grow to \$100 billion between 1996 and 2000."

"Korea has made important commitments, including the elimination of tariffs on information technology products, and an increase in limitations on foreign ownership of domestic telecommunications services companies, and taken other steps which will promote competition and enhance transparency," said Ambassador Barshefsky. "Taken as a whole, the Korean Government's actions over the last year should eliminate objectionable practices which led to Korea's identification in July 1996 as a 'Priority Foreign Country' under section 1374 of the 1988 Omnibus Trade and Competitiveness Act."

Korea has undertaken a number of commitments which satisfy U.S. negotiating objectives:

- The Korean Ministry of Information and Communication has agreed to employ policies that ensure Korea will address a wide range of U.S. telecommunications concerns. These policies are embodied in a July 14, 1997 policy statement which resulted from negotiations between the United States and Korea. The statement clarifies recent revisions of Korea

telecom policies and practices, enhances transparency, and corrects misperceptions regarding the treatment of foreign telecom goods and services suppliers. Specific policies detailed in the MIC policy statement include: national treatment and non-discrimination for foreign companies; government non-intervention in private sector procurement; transparent criteria and procedures relating to services licensing, equipment certification and type approval; increased foreign ownership in domestic service providers; enhanced protection of intellectual property and proprietary information; clear guidelines for technology transfer; transparent procedures for satellite services authorization; pro-competitive regulatory measures; and an enhanced independent regulatory role for the Korean Communications Commission. These commitments ensure that U.S. telecom companies will enjoy improved market access in Korea.

- Under the Information Technology Agreement, Korea will eliminate in stages tariffs on an agreed package of information technology products (including telecommunications) equipment by the year 2000; tariffs on a few additional items will be eliminated by 2004.
- Under the WTO basic telecommunications agreement, Korea will allow increased foreign ownership of domestic telecommunications services companies and adopt a series of enforceable and pro-competitive regulatory principles.

Collectively, these undertakings will further open the Korean telecommunications market on competitive terms, and provide important opportunities for U.S. service and equipment providers.

Based on the positive steps taken by Korea over the last year, Ambassador Barshefsky has announced her intention to revoke Korea's identification as a Priority Foreign Country (PFC). According to Barshefsky, "The United States will continue to monitor closely Korean adherence to its commitments and will make use of U.S. trade laws and WTO procedures, if appropriate, to ensure effective implementation."

The formal revocation of Korea's identification as a PFC will be effective August 11, 1997.